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FINANCING OF THE UNITED NATIONS PROTECTION FORCE, THE UNITED NATIONS CONFIDENCE RESTORATION OPERATION IN CROATIA, THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE AND THE UNITED NATIONS PEACE FORCES HEADQUARTERS

FINANCING OF THE UNITED NATIONS MISSION IN BOSNIA AND HERZEGOVINA

FINANCING OF THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIUM

FINANCING OF THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE

Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General (A/50/696/Add.4 and Add.5, A/50/895, A/50/906 and A/50/909) on the financing of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO), the United Nations Preventive Deployment Force (UNPREDEP), the United Nations Peace Forces (UNPF) headquarters, the United Nations Mission in Bosnia and Herzegovina (UNMIBH) and the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES). During its consideration of the reports, the Advisory Committee met with the Controller, the Assistant Secretary-General for Management and Coordination, UNPF, and with other representatives of the Secretary-General who provided the Committee with clarifications and additional information.

2. The Committee also had before it the performance reports for the financing of UNPROFOR, UNCRO, UNPREDEP and UNPF for the periods from 1 April to 30 September 1995 (A/49/540/Add.2), from 1 October 1994 to 31 March 1995 (A/50/696) and from 1 April to 30 June 1995 (A/50/696/Add.2) and the revised

cost estimates for the missions for the period from 1 July to 31 December 1995 and for the reinforcement of UNPROFOR with a rapid reaction capacity (A/50/696/Add.1).

3. With regard to these performance reports, the Committee points out that since their preparation and presentation by the Secretary-General, the situation in the area of United Nations operations has dramatically changed, some operations have been terminated and several new operations have started.

4. During its consideration of the reports of the Secretary-General on the financing of the various missions in the territory of the former Yugoslavia for the period from 1 January to 30 June 1996 and from 1 July 1996 to 30 June 1997, the Advisory Committee took into account the latest financial data relating to UNPROFOR, UNCRO, UNPREDEP and UNPF. In this connection, detailed information on resources made available and operating costs for the United Nations Peace Forces for the period from 12 January 1992 to 31 March 1996 is reflected in annex XIV to the report of the Secretary-General in document A/50/696/Add.4; as can be seen therefrom, an unencumbered balance of $232.4 million gross was recorded as at 31 March 1996. The Advisory Committee was informed by the Controller that the unencumbered balance should be reduced by $4.3 million gross from $232.4 million to $228.1 million to account for a credit of $4.3 million from the UNPF unencumbered balance authorized by General Assembly resolution 50/212 of 23 December 1995 in respect of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991.

5. The Advisory Committee recommends that the General Assembly take note of the financial performance reports contained in documents A/49/540/Add.2, A/50/696 and A/50/696/Add.2 for the combined period from 1 April 1994 to 30 June 1995. The Committee points out that financial performance reports for the missions for the periods from 1 July to 31 December 1995 and from 1 January to 30 June 1996 remain yet to be issued by the Secretary-General.

6. In section VI of his report in document A/50/696/Add.1, the Secretary-General proposes that "all expenses for the rapid reaction capacity should be assessed", since the total strength of the combined forces, including the rapid reaction capacity, was within the total strength authorized by the Security Council prior to authorizing the rapid reaction capacity (44,870), and since the revised cost estimates of $120.4 million, which became $99.2 million gross after deducting the value of in-kind voluntary contributions for the rapid reaction capacity of $21.2 million (as valued by the donor Government), were within the funding already approved by the General Assembly for the period from 1 July to 30 November 1995 ($100 million gross). The Committee has been informed that a total of $3.9 million in voluntary cash contributions has been received. The Advisory Committee was also informed that this amount has not been disbursed.

7. The Advisory Committee has reviewed the procedures followed by the Secretariat in accounting for the amount of voluntary contributions for the rapid reaction capacity. The Committee has been assured that these voluntary contributions were treated in accordance with the procedures outlined in General Assembly resolutions 43/230 of 21 December 1988 and 44/192 A of 21 December 1989. Additional information on the rapid reaction capacity

provided to the Committee at its request is reproduced in annex I to the present report.

8. By its resolutions 1025 (1995), 1026 (1995) and 1027 (1995) of 30 November 1995, the Security Council decided to terminate the mandates of the United Nations Confidence Restoration Operation in Croatia (UNCRO) and the United Nations Protection Force (UNPROFOR) and to extend the mandate of the United Nations Preventive Deployment Force (UNPREDEP) until 30 May 1996. Subsequently, the Council adopted resolution 1035 (1995) of 21 December 1995, by which it established the United Nations Mission in Bosnia and Herzegovina (UNMIBH) and resolution 1037 (1996) of 15 January 1996 by which it established the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES). On 15 January 1996, the Security Council also authorized the continuation of the moratorium arrangement for the administration of the Prevlaka peninsula. This arrangement has become, on the recommendation of the Secretary-General, an independent mission known as the United Nations Mission of Observers in Prevlaka (UNMOP).

9. Following the decisions of the Security Council to terminate the mandates of UNCRO and UNPROFOR, to extend the mandate of UNPREDEP and to establish UNMIBH, as well as the recommendation of the Secretary-General that the monitoring of the demilitarization of the Prevlaka peninsula continue and the anticipated establishment of a transitional peace-keeping force in Eastern Slavonia, the General Assembly in its decision 50/410 B of 23 December 1995, authorized the Secretary-General to enter into commitments for the operations in the former Yugoslavia for the period from 1 January to 31 March 1996 in the amount of $100 million gross and to assess an amount of $89.5 million on Member States.

10. Subsequently, the General Assembly, by its decision 50/481 of 11 April 1996, authorized the Secretary-General to enter into additional commitments in the amount of $100 million gross for the period from 1 January to 31 May 1996 for the pre-liquidation of UNPROFOR, UNCRO and UNPF, as well as for the maintenance of UNTAES, UNMIBH and UNPREDEP and to assess an amount of $50 million gross ($14.0 million gross for UNMIBH, $29.5 million gross for UNTAES and $6.5 million gross for UNPREDEP).

Cost estimates for the period from 1 January to 30 June 1996

11. The report of the Secretary-General in document A/50/696/Add.4 contains the budgets for the pre-liquidation of UNPF, the start-up and maintenance requirements for UNMIBH, UNMOP, UNTAES and UNPREDEP for the period from 1 January to 30 June 1996, as well as preliminary information on the disposition of UNPF assets.

12. In paragraphs 1 to 23 of his report (A/50/696/Add.4), the Secretary-General provides background information relating to UNPROFOR, UNCRO, UNTAES, UNMIBH, UNPREDEP, UNMOP, the Office of the Special Coordinator for Sarajevo, the United Nations Peace Forces headquarters and the United Nations liaison offices in Zagreb and Belgrade. A description of political mandates, operational plans and

requirements relating to UNMIBH, UNMOP, UNTAES and UNPREDEP is contained in paragraphs 24 to 45 of the report.

13. Part VI of the report, entitled "Financial administration", contains the Secretary-General's recommendation on the establishment of special accounts for UNMIBH, UNTAES and UNPREDEP (para. 46) as well as information on the financial periods for UNPF, UNMIBH, UNTAES and UNPREDEP (para. 47), resources made available and operating costs for UNPF for the period from 12 January 1992 to 31 March 1996 (para. 48), status of assessed contributions (para. 49) and on voluntary contributions and trust funds (paras. 50-52).

14. The Committee notes from paragraph 53 of the report that full reimbursement of troop costs has been made for the period ending 31 July 1995 and that amounts owed to troop-contributing Governments for the period through 31 December 1995 total $200.4 million.

15. In connection with information on status-of-forces agreements contained in paragraphs 55 to 57 of the report, the Advisory Committee recommends that the next budget submission for the missions in the former Yugoslavia include information on the estimated value of any contribution to the missions under the status-of-forces agreements.

16. The Advisory Committee notes from paragraph 58 of the Secretary-General's report that the total cost estimates for UNPF, UNMIBH, UNTAES and UNPREDEP for the period from 1 January to 30 June 1996 amount to $490.3 million gross. The cost estimates for each operation are described in paragraphs 59 to 67 of the report.

United Nations Peace Forces

17. As reflected in paragraph 59 of the Secretary-General's report, the pre-liquidation cost of UNPF for the period from 1 January to 30 June 1996 is estimated at a total of $302.0 million gross. The Committee points out that about 80 per cent of the total estimate of $302.0 million is attributable to the following three objects of expenditure: (a) contingent-owned equipment - $201.4 million, (b) claims and adjustments - $20.0 million and (c) international contractual personnel - $13.6 million.

18. The Committee notes from annex IV.D, paragraph 7, of the report that an estimated provision of $201.5 million is made for the reimbursement of contingent-owned equipment valued at a total of $2,729.4 million. As indicated in paragraph 7 (annex IV.D), an amount of $289.2 million has already been reimbursed and a further amount of $231.1 million has been obligated. The Advisory Committee was informed that the total amount of $721.8 million to be reimbursed for contingent-owned equipment represents the best provisional estimates of what is likely to be required. During its deliberations on the matter the Advisory Committee was informed that the total value of contingent-owned equipment was based largely on information provided by the contingents and will most likely be reviewed in the course of the surveys that are being conducted by UNPF staff and their subsequent negotiations with the contingents. Pending the results of the review and bearing in mind that the obligated funds are unlikely to be liquidated in their totality, the Committee recommends that

the proposed additional appropriation for contingent-owned equipment be reduced by $51.5 million, i.e., from $201.5 million to $150 million.

19. With regard to the estimated requirements of $20.0 million for claims and adjustments, the Advisory Committee expresses its concern about the magnitude and the number (about 800) of outstanding third-party claims submitted to UNPF. The Committee notes that provisions for claims and adjustments are also included in the cost estimates for UNMIBH ($200,000), UNTAES ($500,000) and UNPREDEP ($30,000). The Committee was provided, on request, with a list of third-party claims in excess of $50,000 submitted to UNPF. It identifies 40 claimants who submitted claims for a total amount estimated at $17.5 million, thus leaving the balance of $2.5 million for the remaining 760 claimants. The Advisory Committee points out that it is not yet clear as to how many, if any, of these claims will be settled in favour of the claimant. However the estimate assumes, without explanation, that all claims would be settled in full.

20. Under the circumstances, the Committee recommends that the current procedures on settling third-party claims associated with United Nations peace-keeping efforts be the subject of a thorough study by the Legal Counsel, the results of which should be reported by the Secretary-General to the General Assembly through the Advisory Committee not later than November 1996. Furthermore, the Advisory Committee recommends that on the basis of the study the Secretary-General develop and propose during the fifty-first session of the General Assembly appropriate measures and procedures which would provide for a simple, efficient and prompt settlement of third-party claims, secure United Nations interests, limit its liabilities and allow for a coordinated approach to this issue on the part of the United Nations organizations, agencies and programmes. Pending the submission of this report and further information on the disposition of claims, the Committee recommends that an estimate of $10 million out of the estimates of $20.0 million for UNPF be provided at this time.

21. The Advisory Committee notes that a provision of $4.8 million is made for contractual services. Within this provision an amount of $2.5 million relates to environmental clean-up. The Committee was informed, upon request, that the amount of $2.5 million had been based on prior experience in other missions for disposal of hazardous waste, such as contaminated petrol, oil and lubricants, batteries and used tyres and other toxic wastes; that in the past, those requirements had been provided under transport operations; and that, in view of the strict regional laws regarding the disposal of hazardous wastes, UNPF had made the provision based on Croatia's requirement that such waste be disposed of by Government-licensed contractors. The Advisory Committee requests that the Secretary-General ensure in future that estimates concerning environmental safety be presented in a uniform manner on the basis of guidelines to be developed and consistently applied by the Secretary-General to all United Nations peace-keeping operations.

22. The Advisory Committee was provided, upon request, with additional information on the estimated requirements of $13.6 million for international contractual personnel (see annex II). The Advisory Committee questions the need for the high number of deployed international contractual personnel (704 actual, as of April 1996) and points out that this number should decrease substantially,

especially as the deployment of international personnel and local staff increases.

23. Table 2, under part XI, "Staffing requirements", of the report of the Secretary-General (A/50/696/Add.4), contains the schedule of phasing-out of UNPF civilian staff. The Committee notes from paragraph 18 of the report that "during the pre-liquidation period from 1 February to 30 June 1996, the former UNPF headquarters will provide all aspects of administrative and logistic support for the new missions [and] assist in building up independent administrative support structures for the new missions". The Advisory Committee was informed that UNPF central administration was currently administering and directing the other missions. The Committee points out, in this connection, that the budget proposals for the new mission contain, nevertheless, a heavy administrative infrastructure for the period from 1 January to 30 June 1996. For example, while the proposed staffing table for administrative services of UNPF provides for 533 posts, the proposed staffing tables for administrative services for the new missions provide for 586 posts for UNMIBH and 579 posts for UNTAES. In view of the slow start-up of the operations of UNTAES and UNMIBH, it is unlikely that resources budgeted for administrative infrastructure for these missions will be required in full in the period from January to June 1996 (see paras. 29 and 33 below).

24. With regard to the decentralization of administrative function after 30 June 1996, the Advisory Committee notes from paragraph 28 of the report of the Secretary-General of 6 February 1996 (S/1996/83) that:

> "For reasons of cost-effectiveness, it is envisaged that some elements of administrative support for UNMIBH, UNMOP and UNTAES, such as the communications master network control centre, transport, spare parts warehousing and, possibly, civilian air support, will continue to be centralized, and will be attached to one of the new missions in the area for administrative and budgetary purposes."

The Advisory Committee was not provided with sufficient justification for advantages and benefits of the proposed decentralization. The Committee is concerned that the decentralization may lead to unnecessary fragmentation in administrative functions, their overlap and duplication. The Advisory Committee recommends, therefore, that the proposed decentralization of administrative functions be reviewed by the Secretary-General with a view to: (a) identifying additional functions that can most efficiently be performed centrally such as recruitment and placement, movement control, training, repatriation of troops (especially as concerns contracting for air and sea carriers) and procurement, and (b) reducing the overall number of administrative staff of the missions. The Advisory Committee requests that the results of the Secretary-General's review be reflected in the next budget submission for the missions.

United Nations Mission in Bosnia and Herzegovina

25. The Secretary-General estimates the cost of the start-up and maintenance of UNMIBH, as well as requirements for the Office of the Special Coordinator for Sarajevo and UNMOP, for the period from 1 January to 30 June 1996 at $52.7 million. As stated in paragraph 62 of the Secretary-General's report

(A/50/696/Add.4), some 18 per cent of the estimate is based on standard ratios and costs, while the remaining 82 per cent covers mission-specific requirements and other items that vary from the standards. A detailed breakdown of the cost estimates as well as the related supplementary information is contained in annexes V and VI to the Secretary-General's report.

26. The cost estimates for UNMIBH would provide for the deployment of up to 28 military observers, 1,721 civilian police, 252 international staff and 905 local staff, as well as the hiring of two helicopters and the maintenance and operation of 991 vehicles. The cost estimates are also based on the assumption that the International Police Task Force (IPTF) will be deployed to 109 locations. The Committee points out, in this connection, that the Secretary-General, in paragraph 6 of his report to the Security Council of 29 March 1996 (S/1996/210), conveyed the view of the IPTF Commissioner that "it is operationally unnecessary, administratively complicated and therefore not advisable to deploy teams to each of the 109 municipalities, many of which are close enough to be monitored effectively from one central location. As a result, the Task Force will need to deploy only to some 50 to 60 locations." The Advisory Committee was informed that it is now envisaged to deploy the Task Force to 53 locations.

27. The Advisory Committee was informed that as a result of the reduction in the number of police stations from 109 to 53, the cost estimates for UNMIBH for the period from 1 January to 30 June 1996 should be reduced by a total amount of $1,388,300, broken down as follows: (a) premises - $495,800, (b) infrastructure repairs - $120,000, (c) communications equipment - $586,500, (d) contractual services - $137,200 and (e) miscellaneous supplies - $48,800.

28. Annex VI.B to the report of the Secretary-General (A/50/696/Add.4) shows the monthly deployment of military and civilian personnel on the basis of which the cost estimates for UNMIBH for the period from 1 January to 30 June 1996 were arrived at. The Advisory Committee was provided, on request, with information on actual/planned deployment (actual for the period from 1 January to 23 April and planned for the months of May and June 1996) of all categories of UNMIBH personnel, which shows substantial delays in the deployment. The table below illustrates the delays in the deployment:

Category of personnel	Monthly deployment, as budgeted (1)	Actual/planned deployment (2)	(2)/(1) (%) (3)
Military observers	27	19	70
Civilian police	1 096	1 025	93
Civilian staff	901	390	43

29. Taking into account the delays in the deployment of UNMIBH personnel, the Advisory Committee recommends that the proposed cost estimates for the period

from 1 January to 30 June 1996 be reduced by a total of $7,501,400, broken down by object of expenditure as follows: (a) military observers - $88,800, (b) death and disability compensation - $24,500, (c) civilian police - $1,146,700, (d) international and local staff - $5,054,200, (e) support account - $429,600 and (f) staff assessment - $757,600. A more detailed breakdown is contained in annex III to the present report.

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

30. As reflected in paragraph 64 of the Secretary-General's report, the costs associated with the start-up and maintenance of UNTAES, as well as the Belgrade and Zagreb liaison offices, for the period from 1 January to 30 June 1996 are estimated at a total of $110.3 million gross. A detailed breakdown of the cost estimates as well as the related supplementary information is contained in annexes VII and VIII to the report.

31. The cost estimates for UNTAES and the two liaison offices would provide for the deployment by the end of June 1996 of up to 100 military observers, 5,000 troops, 600 police monitors, 317 international staff and 686 locally recruited staff, as well as the reimbursement of eight Government-provided helicopters, the rental of one vehicle and the maintenance and operation of 974 United Nations-owned vehicles and 2,340 contingent-owned vehicles.

32. The cost estimates for UNTAES are based on a monthly deployment of military and civilian personnel during the period from 1 January to 30 June 1996 as indicated in annex VIII.B to the report of the Secretary-General. It should be noted that the "Average strength" column in annex VIII.A to the report contains the figures of maximum deployment of military and civilian personnel (line items 3 and 5) by the end of the planned period and not the average strength. The correct figures in the column should read: 93 for military observers (instead of 100), 2,688 for infantry (instead of 3,466), 1,427 for logistic/support (instead of 1,554), 425 for civilian police (instead of 600), 179 for international staff (instead of 317) and 556 for local staff (instead of 686). The Advisory Committee was provided, on request, with information on actual/planned deployment (actual for the months of January through April and planned for May and June 1996) of all categories of UNTAES personnel, which shows substantial delays in the deployment of troops, civilian police and civilian personnel. The table below illustrates the delays in the deployment:

Category of personnel	Monthly deployment, as budgeted (1)	Actual/planned deployment (2)	(2)/(1) (%) (3)
Troops	4 115	3 562	86.5
Civilian police	425	259	60.9
Civilian personnel	735	273	37.2

33. Taking into account the delays in the deployment of UNTAES personnel, the Advisory Committee recommends that the proposed cost estimates for the period from 1 January to 30 June 1996 be reduced by a total of $16,086,600, broken down by object of expenditure as follows: (a) military observers - $15,600, (b) military contingents - $4,702,500, (c) death and disability compensation - $141,200, (d) civilian police - $2,713,300, (e) international and local staff - $6,624,900, (f) rental of premises - $235,300, (g) contractual services - $81,800, (h) support account - $563,100 and (i) staff assessment - $1,008,900. A more detailed breakdown of the reduction of $16,088,600 is contained in annex IV to the present report.

United Nations Preventive Deployment Force

34. As reflected in paragraph 66 of the Secretary-General's report (A/50/696/Add.4), the cost associated with the start-up and maintenance of UNPREDEP for the period from 1 January to 30 June 1996 is estimated at a total of $25.1 million gross. Of this total, an amount of $20.9 million relates to the current mandate period which ends on 30 May 1996 and the balance of $4.2 million relates to the period from 31 May to 30 June 1996, should the Security Council decide to continue UNPREDEP beyond the end of May 1996. A detailed breakdown of the cost estimates as well as the related supplementary information is contained in annexes IX and X to the Secretary-General's report.

35. The cost estimates for UNPREDEP would provide for the deployment of up to 35 military observers, 1,050 troops, 26 civilian police, 59 international staff and 127 locally recruited staff, as well as the hiring of two helicopters and the maintenance and operation of 206 United Nations-owned vehicles and 453 contingent-owned vehicles.

Preliminary disposition of United Nations Peace Forces assets

36. The Committee notes from paragraph 70, part XII, "Preliminary disposition of United Nations Peace Forces assets", of the report of the Secretary-General (A/50/696/Add.4), that the assets of UNPF are estimated at approximately $294 million, according to the inventory records of 10 January 1996. The Advisory Committee is of the view that, taking into account the size of the mission and the value of the equipment previously acquired for the mission, the Secretary-General should confirm the accuracy of the valuation. The Committee notes that the disposition of UNPF assets will be administered in accordance with the principles and policies governing the disposition of assets set out in paragraph 110 of the report of the Secretary-General on the administrative and budgetary aspects of peace-keeping operations (A/48/945 and Corr.1), which were endorsed by the General Assembly in section VII of its resolution 49/233 of 23 December 1994. Annex XVI to the Secretary-General's report provides a summary of the proposed disposition of UNPF assets.

37. The Advisory Committee believes that information on the disposition of UNPF assets should have been much more detailed, indicating, inter alia, (a) principles, policies and priorities which guided the proposed disposition of UNPF assets, (b) the value and quantity (in respect of communications equipment as well) of equipment to be disposed of, (c) equipment that will be sent to missions other than UNPREDEP, UNMIBH, UNTAES and the liaison offices,

(d) equipment that will be transferred to the United Nations Logistics Base at Brindisi and (e) places and locations to which equipment will be transferred for storage as reserve. The Committee was provided with a statement on procedures for the transfer of UNPF assets to the multilateral implementation force (IFOR), which is reproduced as annex V to the present report.

38. The Advisory Committee recommends that the Secretary-General take into account the observations in the above paragraph and prepare a comprehensive report on the proposed disposition of UNPF assets to be submitted to the General Assembly, through the Advisory Committee, no later than November 1996. Moreover, the Committee recommends that, in view of the fact that there are a number of missions in the territory of the former Yugoslavia, priority should be given to transferring UNPF assets to those missions. In connection with the actions that the General Assembly may take at its fiftieth session, the Advisory Committee recommends that the Assembly defer any action on the preliminary information on the disposition of UNPF assets pending receipt of the more detailed report requested by the Advisory Committee.

Actions to be taken by the General Assembly with regard to the financial period from 1 January to 30 June 1996

39. The actions to be taken by the General Assembly at its fiftieth session in connection with the financing of UNPF, UNMIBH, UNTAES and UNPREDEP for the period ending 30 June 1996 are contained in paragraph 81 of the report of the Secretary-General (A/50/696/Add.4).

40. The Advisory Committee, in view of its comments and observations in the above paragraphs, recommends that the General Assembly take the following actions in connection with the financing of UNPF, UNMIBH, UNTAES and UNPREDEP:

(a) Appropriation of the amount of $100,000,000 gross to the UNPF special account, already authorized and assessed in accordance with General Assembly resolution 49/248 of 20 July 1995 for the reinforcement of UNPROFOR with a rapid reaction capacity for the period from 1 July to 30 November 1995;

(b) Appropriation and assessment of the amount of $115,373,000 gross to the UNPF special account, already authorized by the General Assembly in its decision 50/410 A of 4 December 1995 for the maintenance of the operations for the period from 1 to 31 December 1995, this amount to be offset against the unencumbered balance for the period ending 31 December 1995;

(c) Appropriation of the amount of $240,562,100 gross for the pre-liquidation of UNPF for the period from 1 January to 30 June 1996, inclusive of the total amount of $150,000,000 gross already authorized by the General Assembly in its decisions 50/410 B of 23 December 1995 and 50/481 of 11 April 1996;

(d) Assessment of an additional amount of $151,077,300 gross for the period from 1 January to 30 June 1996, taking into account the amount of $89,484,800 gross already assessed by the General Assembly in its decision 50/410 B, for the period from 1 January to 31 March 1996, this amount to be

offset against the remaining unencumbered balance of $112,721,263 gross for the period ending 31 December 1995;

(e) Appropriation of $43,849,300 gross and additional assessment of $29,849,300 gross for the start-up requirements and maintenance of UNMIBH for the period from 1 January to 30 June 1996, taking into account the amount of $14.0 million gross already authorized and assessed by the General Assembly in its decision 50/481 of 11 April 1996 for the period from 1 January to 31 May 1996;

(f) Appropriation of $94,269,700 gross and additional assessment of $64,769,700 gross for the start-up requirements and maintenance of UNTAES for the period from 15 January to 30 June 1996, taking into account the amount of $29.5 million gross already authorized and assessed by the General Assembly in its decision 50/481 of 11 April 1996 for the period from 1 January to 31 May 1996;

(g) Appropriation of $20,914,200 gross and additional assessment of $14,414,200 gross for the strengthening and maintenance of UNPREDEP for the period from 1 January to 30 May 1996, taking into account the amount of $6.5 million gross already authorized and assessed by the General Assembly in its decision 50/481 of 11 April 1996 for the period from 1 January to 31 May 1996;

(h) With regard to the period after 30 May 1996, provision by commitment authorization in the amount of $4,237,100 gross for the period from 31 May to 30 June 1996 and for the assessment thereof, should the Security Council decide to continue UNPREDEP beyond that date.

Cost estimates for the period from 1 July 1996 to 30 June 1997

41. The reports of the Secretary-General in documents A/50/696/Add.5, A/50/906, A/50/909 and A/50/895 contain the cost estimates for the liquidation of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO) and the United Nations Peace Forces (UNPF) headquarters and for the maintenance of the United Nations Mission in Bosnia and Herzegovina (UNMIBH), the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the United Nations Preventive Deployment Force (UNPREDEP).

Liquidation of UNPROFOR, UNCRO and UNPF; provision of some support services to UNTAES, UNMIBH and UNPREDEP

42. The proposed budget contained in document A/50/696/Add.5 provides for the liquidation of UNPROFOR, UNCRO and UNPF headquarters during the eight-month period from 1 July 1996 to 28 February 1997 and for the provision of central support to UNTAES, UNMIBH and UNPREDEP in the areas of transport operations, air operations and communications for the 12-month period from 1 July 1996 to 30 June 1997. The requirements for the eight-month liquidation period are estimated at $40.1 million gross and provide for 2,000 person-months for international personnel, 833 person-months for local staff and the operation and

maintenance of 88 vehicles. The requirements for the central support to UNTAES, UNMIBH and UNPREDEP are estimated at $9.2 million gross and provide for up to 24 international staff, 38 local staff, the use of one fixed-wing aircraft and the operation and maintenance of 23 vehicles.

43. In part I (paras. 1-6) of his report (A/50/696/Add.5), the Secretary-General outlines the functions and responsibilities of the former UNPF headquarters with regard to the liquidation of UNPROFOR, UNCRO and UNPF headquarters and the provision of central support to UNTAES, UNMIBH and UNPREDEP. The Committee's observations and recommendations with regard to the decentralization of administrative and support services of the missions in the territory of the former Yugoslavia are contained in paragraphs 23 and 24 above.

44. As indicated in annex II.B to the Secretary-General's report, the cost estimates provide, inter alia, for 93 guards to be stationed at Pleso logistics base throughout the 12-month period, travel requirements between New York and the mission area ($20,000), environmental clean-up ($3 million) and publication of the "Blue Book" pertaining to the former Yugoslavia ($330,000).

45. In connection with the requirements for 93 guards, the Advisory Committee was informed that they are necessary in order to safeguard highly valuable equipment, goods and food rations stored at Pleso logistics base. The Committee points out that a provision of $2,094,500 would be required for military personnel costs during the 12-month period from 1 July 1996 to 30 June 1997. In the opinion of the Committee, rather than continue this high cost for safeguarding the warehouses after the termination of UNPROFOR, UNCRO and UNPF, alternative and less expensive means should be explored, including the possibility of the transfer of valuable equipment and goods to other missions and the Brindisi logistics base.

46. With regard to travel requirements in the amount of $20,000 for regular trips between New York and the mission area, the Advisory Committee notes that provisions for such trips are also included in the budget submissions for UNMIBH ($96,000), UNTAES ($96,000) and UNPREDEP ($96,000). The Committee believes that, considering the financial difficulties of the Organization, its travel expenses should be significantly reduced; therefore, it recommends that the above travel provisions in the total amount of $308,000 be reduced by 25 per cent.

47. In connection with the proposed requirements of $3.0 million for environmental clean-up, the Advisory Committee refers to its observations and recommendation reflected in paragraph 21 above.

48. With regard to the proposed provision of $330,000 for the publication of the "Blue Book" pertaining to the former Yugoslavia, the Advisory Committee intends to revert to this issue in September 1996 and review the proposals for publications of the "Blue Book" series on United Nations peace-keeping operations in the light of the policy and criteria established for such publications. Pending this, the Committee recommends deletion of the amount of $330,000 and that there be no further expenditure on these publications until a policy has been adopted by the General Assembly on this matter.

49. Annex III to the Secretary-General's report contains information on the breakdown of 2,832.5 work-months (2,000 work-months of internationally recruited staff and 832.5 work-months of local staff) estimated to be required for the liquidation tasks during the period from 1 July 1996 to 28 February 1997. The Advisory Committee considers the data included in the annex to be of marginal usefulness, since the annex did not provide any points of reference for comparison with prior requirements, nor did it indicate the exact level of staff needed to perform various activities. The Advisory Committee requests that the exact composition of staff requirements necessary for the liquidation of UNPF be reported to the General Assembly, through the Advisory Committee, as soon as possible.

50. Taking into account the comments and observations in the above paragraphs, the Advisory Committee recommends that the General Assembly appropriate the total amount of $49,054,000 gross for the liquidation of UNPF, UNCRO and UNPROFOR during the period from 1 July 1996 to 28 February 1997 and for the provision of central support to UNTAES, UNMIBH and UNPREDEP for the period from 1 July 1996 to 30 June 1997.

United Nations Mission in Bosnia and Herzegovina

51. The report of the Secretary-General in document A/50/906 contains the cost estimates for the maintenance of UNMIBH during the period from 1 July 1996 to 30 June 1997 in the amount of $158.7 million gross, which would provide for 28 military observers, 5 military liaison officers, 1,721 civilian police, 383 internationally recruited staff and 905 local staff. This represents an increase of 5 military liaison officers to strengthen the liaison between UNMIBH and IFOR, a net decrease of 7 personnel (6 international and 2 locally recruited staff) as a result of the closing down of the Office of the Special Coordinator for Sarajevo, offset by an additional D-2 post for a Deputy to the Special Representative.

52. Annexes III, IV and V to the report of the Secretary-General (A/50/906) provide information on the proposed staffing table, deployment of personnel and a job description for the new D-2 post. With regard to the proposed structure of the administrative services of UNMIBH, the Advisory Committee refers to its observations and recommendations in paragraphs 23 and 24 above. As far as the deployment of personnel is concerned, the Committee, as illustrated in the table to paragraph 28 above, drew attention to the significant delays in the deployment of civilian personnel during the period from 1 January to 30 June 1996, which most likely will continue thereafter for some time. The Committee points out that the delays will result in a reduction in resource requirements. The Advisory Committee recommends, therefore, that the proposed resource requirements for civilian personnel be reduced by $11,184,600.

53. With regard to the proposed addition of a D-2 post for a Deputy to the Special Representative, the Committee was not convinced of the need for the creation of the post, since the functions of the post would parallel and overlap those which are currently assigned to the post of Senior Political Adviser at the D-2 level. The Committee, therefore, does not recommend approval of the proposal to establish a new D-2 post for UNMIBH. The consequential reduction in the cost estimates would be $187,600.

54. Taking into account the comments and observations in the above paragraphs, the Advisory Committee recommends that the General Assembly appropriate the amount of $147,403,400 gross for the maintenance of UNMIBH during the period from 1 July 1996 to 30 June 1997, to be assessed at a monthly rate of $12,283,600 gross, subject to extension of the mandate of UNMIBH by the Security Council.

United Nations Transitional Administration for Eastern Slavonia, Barania and Western Sirmium

55. The report of the Secretary-General in document A/50/909 contains the proposed budget for the maintenance of UNTAES and the Belgrade and Zagreb liaison offices, which for administrative and budgetary purposes are treated as part of UNTAES, for the period from 1 July 1996 to 30 June 1997, in the amount of $284.7 million. The proposed budget for UNTAES would provide for the full deployment of 100 military observers, 5,000 troops and 600 civilian police and the phased deployment of 477 international staff, 721 local staff and 100 United Nations Volunteers.

56. The Committee notes from paragraph 6 of the report that while the cost estimates covering the period from 15 January to 30 June 1996 were formulated on the basis of a stand-alone mission, with each battalion self-sufficient and no third line support provided by the United Nations, this logistics concept has changed and the United Nations is required to supply third line support to UNTAES.

57. In connection with the proposed provision of $19.9 million for contingent-owned equipment, the Advisory Committee points out that it was informed during its deliberations on the matter that the value of contingent-owned equipment was largely based on information provided by the contingents and reflects the value of equipment in a "generic" battalion and will most likely be reviewed in the course of the surveys to be conducted by UNTAES staff and their subsequent negotiations with the military personnel. Pending the results of the review, the Committee recommends that the proposed provision for the reimbursement of contingent-owned equipment be reduced from $19.9 million to $15.0 million.

58. The Committee notes that a provision of $5.0 million is made under air operations in connection with usage of four MI-24R and four MI-8T helicopters. The Committee requests that future budget submissions contain more substantive justification for the proposed requirements for air operations.

59. As can be seen from annex III to the report, a total strength for the administrative structure of the mission is proposed at 657 posts, compared with 579 during the period from 1 January to 30 June 1996. In this connection, the Advisory Committee refers to its observations and recommendations in paragraphs 23 and 24 above.

60. With regard to the deployment of personnel reflected in annex IV to the report, the Advisory Committee, as illustrated in the table to paragraph 32 above, drew attention to the significant delays in the deployment of civilian personnel during the period from 1 January to 30 June 1996, which most likely will continue thereafter for some time. The Committee points out that the

delays will result in reduction in resource requirements. The Advisory Committee recommends, therefore, that the proposed resource requirements for civilian personnel be reduced by $5,763,700.

61. Taking into account the comments and observations in the above paragraphs, the Advisory Committee recommends that the General Assembly appropriate the amount of $274,088,800 gross for the maintenance of UNTAES during the period from 1 July 1996 to 30 June 1997, to be assessed at a monthly rate of $22,840,700 gross, subject to extension of the mandate of UNTAES by the Security Council.

United Nations Preventive Deployment Force

62. The report of the Secretary-General in document A/50/895 contains the proposed budget for the maintenance of UNPREDEP for the period from 1 July 1996 to 30 June 1997, in the amount of $52.3 million gross. The proposed budget would provide for 35 military observers, 1,050 troops, 26 civilian police, 76 international staff and 127 local staff. No changes are proposed in the military strength or civilian staffing of the Force.

63. The Committee notes from annex I to the report that a provision of $4.5 million is made for contingent-owned equipment. The Advisory Committee recommends that the value of contingent-owned equipment be thoroughly verified in the course of the surveys to be conducted by UNPREDEP staff and their subsequent negotiations with the military personnel. Pending the results of the review, the Committee recommends that the proposed provision for the reimbursement of contingent-owned equipment be reduced from $4.5 million to $3.5 million.

64. Taking into account the comments and observations in the above paragraphs, the Advisory Committee recommends that the General Assembly appropriate the amount of $51,327,500 gross for the maintenance of UNPREDEP during the period from 1 July 1996 to 30 June 1997, to be assessed at a monthly rate of $4,277,300 gross, subject to extension of the mandate of UNPREDEP by the Security Council.

ANNEX I

Strengthening of the United Nations Protection Force with a rapid reaction capacity

1. In his letter to the President of the Security Council dated 9 June 1995 (S/1995/470), the Secretary-General indicated that 15,000 troops had been proposed by France, the Netherlands and the United Kingdom of Great Britain and Northern Ireland for the strengthening of UNPROFOR with a rapid reaction capacity. Of these 15,000 troops, 2,500 were already in theatre as part of the strength of 44,870 authorized by the Council. The Secretary-General therefore requested the Council to increase the authorized troop levels by 12,500. This increase in strength was authorized by the Security Council in its resolution 998 (1995) of 16 June 1995. It was also stated in Council resolution 998 (1995) that the modalities of financing were to be determined later.

2. The average strength of the three forces (UNPROFOR, UNCRO and UNPREDEP) throughout the six-month period ending 31 December 1995 was estimated at 39,520. The difference between the authorized strength of 44,870 and the estimated strength of 39,520 was 5,350. Based on these figures, it was indicated in section IV of the Secretary-General's report on the financing of UNPROFOR for the period from 1 July to 31 December 1995 (A/49/540/Add.4) that part of the rapid reaction capacity (5,350 all ranks) could be accommodated within the overall authorized strength of 44,870 and would be considered an expense of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations.

3. It was also indicated in section IV of the Secretary-General's report that the cost of the remaining 7,150 troops could be funded through voluntary contributions to be made available by Member States to a sub-account of the UNPROFOR special account established for this purpose.

4. The Secretary-General submitted revised cost estimates for the same period from 1 July to 31 December 1995 in his report dated 30 October 1995 (A/50/696/Add.1) for all operations in the former Yugoslavia, including the rapid reaction capacity. In section VI of that report, the Secretary-General proposed that since the total strength of the combined forces, including the rapid reaction capacity, was within the total strength (44,870) authorized by the Security Council prior to authorizing the rapid reaction capacity, and since the revised cost estimates, after deducting voluntary contributions in-kind, for the rapid reaction capacity were within the funding already approved by the General Assembly, all expenses for the rapid reaction capacity should be included in the assessed budget.

5. The average monthly strength for the combined forces, including the rapid reaction capacity, for the period from 1 July to 31 December 1995 was as follows:

July	40 934
August	43 794
September	41 946
October	40 284
November	31 888
December	20 640

6. The General Assembly has not yet acted on the proposal contained in the 30 October 1995 report of the Secretary-General (A/50/696/Add.1).

ANNEX II

Justification for $13.6 million estimated for international contractual personnel

1. The amount provided in the budget is based on the actual deployment of personnel until the expiration of their current contracts. No provision has been made for renewal of contracts. If the contracts with the international service agencies (ISAs) were to be terminated as opposed to allowing them to "run out" based on expiration, then the Organization would be required to pay a termination indemnity to each ISA.

2. Furthermore, the mission has been experiencing delays in deployment of United Nations international personnel and had no option but to use international contractual personnel to perform vital functions in the start-up phases of UNTAES, UNMIBH and to a lesser extent UNPREDEP. They have been mainly providing support in the engineering and logistics areas to the new missions.

ANNEX III

Revised cost estimates for the United Nations Mission in Bosnia and Herzegovina for the period from 1 January to 30 June 1996

(Thousands of United States dollars)

	A/50/696/Add.4 Annex V	Revised cost estimates	Decrease
Military observers			
Mission subsistence allowance	427.8	340.1	(87.7)
Travel	42.0	42.0	0.0
Clothing and equipment allowance	3.0	1.9	(1.1)
Subtotal	472.8	384.0	(88.8)
Other costs pertaining to military personnel			
Contingent-owed equipment	0.0	0.0	0.0
Death and disability compensation	224.5	200.0	(24.5)
Subtotal	224.5	200.0	(24.5)
Civilian police			
Mission subsistence allowance	19 481.4	18 341.8	(1 139.6)
Travel	2 581.5	2 581.5	0.0
Clothing and equipment allowance	109.6	102.5	(7.1)
Subtotal	22 172.5	21 025.8	(1 146.7)
International and local staff			
International staff salaries	3 849.5	2 552.4	(1 297.1)
Local staff salaries	2 666.8	1 280.8	(1 386.0)
Consultants	0.0	0.0	0.0
Overtime	53.3	25.6	(27.7)
Common staff costs	1 916.9	1 870.6	(46.3)
Mission subsistence allowance	4 041.0	1 743.9	(2 297.1)
Other travel costs	78.0	78.0	0.0
Subtotal	12 605.5	7 551.3	(5 054.2)
Support account for peace-keeping operations	1 071.5	641.9	(429.6)
Staff assessment	1 944.4	1 186.8	(757.6)
TOTAL	38 491.2	30 989.8	(7 501.4)

ANNEX IV

Revised cost estimates for the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium for the period from 1 January to 30 June 1996

(Thousands of United States dollars)

	A/50/696/Add.4 Annex VII	Revised cost estimates	Decrease
Military observers			
Mission subsistence allowance	1 490.4	1 476.1	-14.3
Travel	150.0	150.0	0.0
Clothing and equipment allowance	10.0	8.7	-1.3
Subtotal	1 650.4	1 634.8	-15.6
Military contingents			
Standard troop cost reimbursement	24 070.4	20 631.6	-3 438.8
Welfare	381.7	288.5	-93.2
Rations	5 568.0	4 900.0	-668.0
Daily allowance	905.7	779.1	-126.6
Mission subsistence allowance	27.5	27.5	0.0
Emplacement, rotation and repatriation travel	1 761.7	1 622.5	-139.2
Clothing and equipment allowance	1 633.0	1 396.3	-236.7
Subtotal	34 348.0	29 645.5	-4 702.5
Other costs pertaining to military personnel			
Contingent-owed equipment	9 166.7	9 166.7	0.0
Death and disability compensation	874.5	733.3	-141.2
Subtotal	10 041.2	9 900.0	-141.2
Civilian police			
Mission subsistence allowance	7 335.5	4 644.1	-2 691.4
Travel	900.0	900.0	0.0
Clothing and equipment allowance	47.3	25.4	-21.9
Subtotal	8 282.8	5 569.5	-2 713.3
International and local staff			
International staff salaries	4 564.0	2 917.3	-1 646.7
Local staff salaries	2 730.8	795.5	-1 935.3
Consultants	0.0	0.0	0.0
Overtime	272.8	15.9	-256.9

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	A/50/696/Add.4 Annex VII	Revised cost estimates	Decrease
Common staff costs	3 628.8	1 939.3	-1 689.5
Mission subsistence allowance	3 152.0	2 055.5	-1 096.5
Other travel costs	67.5	67.5	0.0
Subtotal	14 415.9	7 791.0	-6 624.9
Rental of premises	2 374.4	2 139.1	-235.3
Contractual services	2 320.5	2 238.7	-81.8
Support account for peace-keeping operations	1 225.3	662.2	-563.1
Staff assessment	2 205.3	1 196.4	-1 008.9
TOTAL	76 863.8	60 777.2	-16 086.6

ANNEX V

Procedures for the transfer of United Nations Peace Forces assets to the multilateral implementation force

General

1. During meetings held in late October 1995 and follow-up meetings in December 1995, the North Atlantic Treaty Organization (NATO) requested that the United Nations provide certain goods, services and equipment to facilitate the deployment of the multilateral implementation force (IFOR). These requests were for communications and transportation services; expendable supplies: food, fuel and general supplies; and equipment: living accommodation modules, wheeled vehicles and heavy engineering equipment. It was agreed that NATO would provide direct reimbursement at full cost for services and supplies and that further arrangements would have to be made with each nation concerning equipment transfers to IFOR contingents. It has been proposed that the offset method of reimbursement be used to transfer some United Nations-owned equipment to IFOR units. Equipment being transferred to IFOR is in excess of the needs of the United Nations. If recovery and sale of this equipment were to be pursued, it would result in a direct cost to the Organization and a substantial extension of the liquidation period.

Equipment

2. IFOR contingents have requested to retain the majority of United Nations-owned equipment in their possession on 20 December 1995. In order to expedite the sale of United Nations-owned equipment to IFOR contingents, the Organization entered into "temporary possession" arrangements with each contingent as of 20 December 1995. Because of adverse weather conditions in Bosnia and Herzegovina and restricted freedom of movement, it was not feasible to recover an estimated 25,000 truckloads of United Nations-owned equipment. However, the Organization retained the right in these arrangements to recall any or all items of equipment required for its use. IFOR then agreed to hold and protect all United Nations-owned equipment in the temporary possession of its contingents until detailed joint inventories and condition surveys could be conducted. From 10 January 1996 to 10 March 1996, UNPF and IFOR contingents conducted joint inventories of some 70,000 items of United Nations-owned equipment held by 124 IFOR units. Upon completion of the physical inventories on 10 March 1996, UNPF entered into an extensive validation/reconciliation process with each contingent to ensure that all United Nations liquidation records are complete and bill of sale/invoice documents are accurate. To date, 79 of the 124 IFOR unit invoices have been validated. The depreciated value of equipment sold/transferred to IFOR contingents to date is approximately US$ 16 million.

Supplies

3. IFOR contingents have been billed directly for orders placed against United Nations food and fuel contracts. The United Nations food contractor has dealt directly with IFOR contingents for reimbursement and the United Nations fuel contractor has been reimbursed by the Organization after receiving payment from

the contingents. All other sales of supplies to include stock of food and fuel held as at 20 December 1995 have been billed on an actual cost basis to each respective contingent. Arrangements for use of these supplies expired on 20 March 1996 and have not been extended.

Services

4. UNPF initially agreed to provide communications and transportation services on a reimbursable basis for the first 90 days of IFOR's deployment. Specific formulas for reimbursement were jointly agreed upon by the Assistant Secretary-General for Management and Coordination, UNPF, and the Assistant Secretary-General for Infrastructure Logistics and Civil Engineering Planning, NATO.

(a) Transportation services were utilized on a very limited reciprocal basis, i.e. UNPF transported IFOR goods and equipment and IFOR reciprocated by backhauling UNPF goods and equipment for use in the new missions;

(b) As regards communications services, during the early planning stages for IFOR deployment, October 1995, NATO assessed that access to and use of the existing United Nations satellite communications network in the former Yugoslavia was essential to the IFOR mission. NATO accepted that communications items were subject to common funding. The initial "Arrangement between the UN and NATO for IFOR access to and use of the United Nations communications network in the former Yugoslavia", dated 7 December 1995, was further amended on 23 February 1996 to cover the remainder of NATO's deployment. Both the initial and the follow-up arrangements make provision for NATO to pay its proportional share of personnel, maintenance and equipment costs as outlined in the above-mentioned document. Under both arrangements, NATO has been paying a monthly depreciation fee for equipment in its use. The United Nations has provided such services with the understanding that services provided to NATO will not be detrimental to use by the United Nations itself. Any and all costs directly associated with IFOR's mission are to be borne by NATO. In addition, NATO has allowed United Nations access to its telecommunications networks. A total of $734,000 was billed to NATO for the period from 20 December 1995 to 19 January 1996. The breakdown of these costs is as follows:

IFOR communications charges for common costs for the period from 20 December 1995 to 19 January 1996

(Thousands of United States dollars)

Network equipment	129.9
Other equipment	13.1
Transponder charges	106.1
Personnel charges	394.8
Subtotal	643.9
Programme support costs	90.1
TOTAL	734.0

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(c) NATO paid this bill in full on 2 April 1996. It was anticipated that NATO's portion of the bill would continue to increase until the contingents were fully deployed, at which time it will bear approximately 85 per cent of the United Nations satellite network costs. It should be noted that this bill does not include the actual costs of telephone calls made outside the UNPF network. Charges for international calls will be passed directly to IFOR for direct reimbursement to the billing agency involved.